

**Independent Auditor's Report**

**To the Members of Natural Resources Energy Private Limited**

**Report on the Standalone Ind AS Financial Statements**

**Opinion**

We have audited the standalone Ind AS financial statements of **Natural Resources Energy Private Limited** ('the Company'), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit/loss, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Material Uncertainty Related to Going Concern**

The company has incurred losses in current year and also having accumulated losses which eroded its net worth. These conditions indicate the existence of material uncertainty that may cast significant doubt about the company ability to continue as a going concern. Our opinion is not modified in respect of this matter. Accordingly, these financial statements have not been prepared on a going concern basis as per note 2.2 to the financial statements.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Except for the matter described in the material uncertainty related to going concern section, we have determined that there are no other key audit matters to be communicated in our report.

## **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure-A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) the balance sheet, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
  - (d) in our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

- (e) on the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “Annexure B”; and
- (g) with respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. the Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements - Refer Note 26 to the standalone Ind AS financial statements;
  - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - iii. there were no amount, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **OPSinghania & Co.**  
(ICAI Firm Regn. No.002172C)  
Chartered Accountants

**Sanjay Singhania**  
**Partner**  
Membership No.076961

Raipur, 14<sup>th</sup> May, 2019

## **Annexure - A to the Auditors' Report**

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31 March 2019, we report that:

- (i) As the Company does not have any fixed assets, therefore, the provisions of Clause (i)(a) to (i)(c) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- (ii) As the Company does not have any inventories, therefore, the provisions of Clause (ii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- (iii) The Company has not granted any loan secured or unsecured to Companies, Firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 during the year. Therefore, the provisions of Clause (iii)(a) to (iii)(c) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- (iv) In our opinion and according to the information & explanations given to us, the Company has not granted and loans and made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186 of the Companies Act, 2013.
- (v) In our opinion and according to the information and explanations given to us, the company has not taken any deposits from public; therefore the provisions of clause (v) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.
- (vi) According to the information & explanations given to us, the Company has not started any commercial production, therefore, the provisions of clause (vi) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.
- (vii) (a) According to the information & explanations given to us, during the year the company is regular in depositing undisputed statutory dues including income tax, cess and any other statutory dues with the appropriate authorities. According to the information & explanations given to us, no undisputed amounts of statutory dues as stated above were in arrears as at 31st March 2019 for a period of more than six months from the date they became payable.  
  
(b) According to the information and explanations given to us, there are no dues of income tax and cess which have not been deposited on account of any dispute.
- (viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- (ix) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Therefore, the provisions of clause (ix) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.
- (x) In our opinion and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year. Therefore, the provisions of clause (x) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.

- (xi) The Company has not paid /provided for managerial remuneration during the year. Therefore, the provisions of clause (xi) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- (xii) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Therefore, the provisions of clause (xii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, the provisions of clause (xiv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with him. Therefore, the provisions of clause (xv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Therefore, the provisions of clause (xvi) of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.

For **OPSinghania & Co.**  
(ICAI Firm Regn. No.002172C)  
Chartered Accountants

**per Sanjay Singhania**  
**Partner**  
Membership No.076961

Raipur, 14<sup>th</sup> May, 2019

## **Annexure - B to the Auditors' Report**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Natural Resources Energy Private Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with

generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **OPSinghania & Co.**  
(ICAI Firm Regn. No.002172C)  
Chartered Accountants

**per Sanjay Singhania**  
**Partner**  
Membership No.076961

Raipur, 14<sup>th</sup> May, 2019

**NATURAL RESOURCES ENERGY PVT. LTD.**  
**Balance Sheet as at 31st March 2019**

	Particulars	Note	31.03.2019 (Amount in INR)	31.03.2018 (Amount in INR)
	<b>ASSETS</b>			
<b>(1)</b>	<b>Non-current Assets</b>			
(a)	Deffered Tax Assets	3	-	1,19,219
			-	1,19,219
<b>(2)</b>	<b>Current Assets</b>			
(a)	Financial Assets			
(i)	Bank, Cash & cash equivalents	4	1,33,758	1,45,576
(b)	Current tax Assets		32,178	32,178
			1,65,936	1,77,754
	<b>TOTAL ASSETS</b>		<b>1,65,936</b>	<b>2,96,973</b>
	<b>EQUITY AND LIABILITIES:</b>			
	<b>Equity</b>			
(a)	Equity Share capital	5	1,00,000	1,00,000
(b)	Other Equity		(2,47,326)	(1,17,925)
	<b>Liabilities</b>			
<b>(1)</b>	<b>Non-current Liabilities :</b>			
			-	-
			(1,47,326)	(17,925)
<b>(2)</b>	<b>Current Liabilities</b>			
(a)	Other current liabilities	6	3,13,261	3,14,897
			3,13,261	3,14,897
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,65,936</b>	<b>2,96,973</b>

SIGNIFICANT ACCOUNTING POLICIES

1 & 2

THE ACCOMPANYING NOTES ARE FORMING INTEGRAL PART OF FINANCIAL STATEMENTS

As Per Our Report Of Even Date Attached

**For O.P. Singhania & Co.**

(Firm Regn.No.002172C)

(Firm Regn.No.002172C)

**For and on behalf of the Board of Directors of  
Natural Resources Energy Private Limited**

**Sanjay Singhania**

**Partner**

Membership No.076961

**V.T.Naidu**

**Director**

**Ravi Thakur Das Laddha**

**Director**

Place : Raipur

DATED : 14.05.2019

**NATURAL RESOURCES ENERGY PVT. LTD.**  
**Statement of Profit and loss for the year ended 31st March 2019**

	Particulars	Note	31.03.2019 (Amount in INR)	31.03.2018 (Amount in INR)
I.	Other income		-	-
II.	<b>Total Revenue</b>		-	-
III.	<b>Expenses:</b>			
	Other expenses	7	10,182	10,414
	<b>Total Expenses</b>		<b>10,182</b>	<b>10,414</b>
IV.	<b>Profit Before Tax (II - III)</b>		<b>(10,182)</b>	<b>(10,414)</b>
V.	Tax expense:			
	Deferred tax		1,19,219	(3,740)
			<b>1,19,219</b>	<b>(3,740)</b>
VI.	<b>Profit for the period (IV - V)</b>		<b>(1,29,401)</b>	<b>(6,674)</b>
	Other comprehensive income for the year		-	-
	<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>(1,29,401)</b>	<b>(6,674)</b>
VII.	<b>Earnings per equity share:</b>	8		
	Basic		(12.94)	(0.67)
	Diluted		(12.94)	(0.67)

SIGNIFICANT ACCOUNTING POLICIES 1 & 2  
THE ACCOMPANYING NOTES ARE FORMING INTEGRAL PART OF FINANCIAL STATEMENTS

As Per Our Report Of Even Date Attached

**For O.P. Singhania & Co.**  
(Firm Regn.No.002172C)  
Chartered Accountants,

**For and on behalf of the Board of Directors of  
Natural Resources Energy Private Limited**

**Sanjay Singhania**  
**Partner**  
Membership No.076961

**V.T.Naidu**  
**Director**

**Ravi Thakur Das Laddha**  
**Director**

Place : Raipur  
DATED : 14.05.2019

**NATURAL RESOURCES ENERGY PRIVATE LIMITED**  
**Statement of changes in Equity**

Particulars	Equity Share Capital	Other Equity		Total Equity Attributable to equity holders of the Company
		Retained Earnings	Other items of other comprehensive income	
Balance as of April 1, 2017	1,00,000	(1,11,251)	-	(11,251)
<b>Changes in equity for the year ended March 31, 2018</b>				
Profit/(loss) for the period		(6,674)		(6,674)
<b>Balance as of March 31, 2018</b>	<b>1,00,000</b>	<b>(1,17,925)</b>	<b>-</b>	<b>(17,925)</b>

Particulars	Equity Share Capital	Other Equity		Total Equity Attributable to equity holders of the Company
		Retained Earnings	Other items of other comprehensive income	
Balance as of April 1, 2018	1,00,000	(1,17,925)	-	(17,925)
<b>Changes in equity for the year ended March 31, 2019</b>				
Profit/(loss) for the period	-	(1,29,401)	-	(1,29,401)
<b>Balance as of March 31, 2019</b>	<b>1,00,000</b>	<b>(2,47,326)</b>	<b>-</b>	<b>(1,47,326)</b>

THE ACCOMPANYING NOTES ARE FORMING INTEGRAL PART OF FINANCIAL STATEMENTS

As Per Our Report Of Even Date Attached

**For O.P. Singhania & Co.**  
(Firm Regn.No.002172C)  
Chartered Accountants,

**For and on behalf of the Board of Directors of  
Natural Resources Energy Private Limited**

**Sanjay Singhania**  
**Partner**  
Membership No.076961

**V.T.Naidu**  
**Director**

**Ravi Thakur Das Laddha**  
**Director**

Place : Raipur  
DATED : 14.05.2019

**NATURAL RESOURCES ENERGY PVT. LTD.**  
**Cash Flow Statement For The Year Ended 31st March, 2019**

Particulars	31.03.2019	31.03.2018
	(Amount in INR)	(Amount in INR)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit before tax as per Profit & Loss Account	(10,182)	(10,414)
<b>Adjustments to reconcile profit before tax to cash generated by operating activities</b>		
<b>Changes in assets and liabilities</b>		
Other Current Liabilities	(1,636)	(6,036)
Other Current Assets	-	-
	<b>(11,818)</b>	<b>(16,450)</b>
Income Tax Paid	-	-
<b>NET CASH (USED)/GENERATED IN OPERATING ACTIVITIES</b>	<b>(11,818)</b>	<b>(16,450)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
NET CASH (USED)/GENERATED IN INVESTING ACTIVITIES	-	-
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
NET CASH (USED)/GENERATED IN FINANCING ACTIVITIES	-	-
<b>Increase/( decrease) in Cash and Cash equivalents ( A+B+C)</b>	<b>(11,818)</b>	<b>(16,450)</b>
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(11,818)</b>	<b>(16,450)</b>
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	1,45,575	1,62,025
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>1,33,757</b>	<b>1,45,575</b>

**Notes:**

(a) Cash and cash equivalent include the following :

Balance with Banks	<u>1,33,757</u>	<u>1,45,575</u>
	<u>1,33,757</u>	<u>1,45,575</u>

(b) Figures in brackets represent outflows.

(c) Previous year figures have been recast/restated wherever necessary.

As per our report of even date

**For O P Singhania & Co.**  
(Firm Reg. No.002172C)  
Chartered Accountants

**For and on behalf of the Board of Directors of**  
**Natural Resources Energy Private Limited**

**Sanjay Singhania**  
**Partner**  
Membership No.076961

**V.T.Naidu**  
**Director**

**Ravi Thakur Das Laddha**  
**Director**

Place : Raipur  
DATED : 14.05.2019

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**NATURAL RESOURCES ENERGY PVT. LTD.**  
**Notes to financial statements for the year ended 31st March, 2019**

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**1. Corporate information**

Natural Resources Energy Pvt. Ltd. (the company) is a private limited company domiciled in India and incorporated under the provisions of the Companies Act.

**2. Basis of preparation**

- i) The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.
- ii) The standalone financial statements have been prepared on a historical cost basis, except certain financial assets measured at fair value (refer accounting policy regarding financial instruments).

**2.1 Summary of significant accounting policies**

**a) Current versus non-current classification**

The company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The company has identified twelve months as its operating cycle.

**b) Fair Value Measurement**

The company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the company.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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**NATURAL RESOURCES ENERGY PVT. LTD.**  
**Notes to financial statements for the year ended 31st March, 2019**

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All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the company has determined classes of assets and liabilities on the basis of the nature, characteristics and risk of the asset or liability.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

**c) Taxes on Income**

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

**d) Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Such provisions are determined based on management estimate of the amount required to settle the obligation at the balance sheet date. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a standalone asset only when the reimbursement is virtually certain.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed on the basis of judgment of management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent assets are disclosed in the financial statements when inflow of economic benefits is probable.

**e) Other Income**

Other income is comprised primarily of interest income and dividend income. Interest income is recognized using the effective interest method. Dividend income is recognized when the right to receive payment is established.

**f) Cash and Cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. However for Balance Sheet presentation, Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

Statement of cash flows is prepared in accordance with the indirect method prescribed in the relevant Accounting Standard.

**g) Earnings Per Share**

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

**2.2 Matter related to Going Concern**

The company has incurred losses in current year and also having accumulated losses which eroded its net worth. These conditions indicate the existence of material uncertainty that may cast significant doubt about the company ability to continue as a going concern, however, the Company's objective is to acquire minerals resources as and when offered by the government. Therefore, it depending upon offerings of government. Until then, Company will continue with the minimum administrative expenditure. Support of the promoter companies is always available. Necessary fund would be brought in the promoters as and when required and hence, these financial statements have not been prepared on a going concern basis.

**Natural Resources Energy Private Limited**  
**Notes to financial statements for the year ended 31st March, 2019**

Note 3	As at 31 March 2019	As at 31 March 2018
DEFFERED TAX ASSET (NET)	r	r
Deffered Tax Asset on unused tax losses	-	41,433
Unused Tax Credit	-	77,786
	-	<b>1,19,219</b>

Note 4	As at 31 March 2019	As at 31 March 2018
Bank, cash & cash equivalents	r	r
(a) Balances with banks In current accounts	1,33,758	1,45,576
<b>Total</b>	<b>1,33,758</b>	<b>1,45,576</b>

Note 5	As at 31 March 2019		As at 31 March 2018	
	No.	r	No.	r
<b>EQUITY SHARE CAPITAL</b>				
<b>Authorised</b>				
Equity Shares of r 10/- each	<b>50,000</b>	<b>5,00,000</b>	<b>50,000</b>	5,00,000
<b>Issued, Subscribed and fully paid up</b>				
Equity Shares of r 10/- each	10,000	1,00,000	10,000	1,00,000
	<b>10,000</b>	<b>1,00,000</b>	<b>10,000</b>	<b>1,00,000</b>

**Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

Equity shares	As at 31 March 2019		As at 31 March 2018	
	No.	r	No.	r
At the beginning of the period	<b>10,000</b>	<b>1,00,000</b>	10,000	1,00,000
Issued during the period	-	-	-	-
Outstanding at the end of the period	<b>10,000</b>	<b>1,00,000</b>	10,000	1,00,000

**Terms/ rights attached to equity shares**

The company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of the equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders

**Natural Resources Energy Private Limited**  
**Notes to financial statements for the year ended 31st March, 2019**

**Details of shareholders holding/ Ultimate holding company and their subsidiaries:**

	As at 31 March 2019		As at 31 March 2018	
	No. of shares	% holding	No. of shares	% holding
Equity shares of Rs. 10/- each fully paid				
Sarda Energy & Minerals Limited	7,155	71.55	7,155	71.55
Sarda Metals & Alloys Limited	2,845	28.45	2,845	28.45
	<b>10,000</b>	<b>100</b>	<b>10,000</b>	<b>100.00</b>

**Details of shareholders holding more than 5% share in company**

Equity shares	As at 31 March 2019		As at 31 March 2018	
	No.	r	No.	r
Equity Shares of Rs.10/- each fully paid				
Sarda Energy & Minerals Ltd	7,155	71.55	7,155	71.55
Sarda Metal & Alloy Ltd	2,845	28.45	2,845	28.45
Outstanding at the end of the period	<b>10,000</b>	<b>100</b>	<b>10,000</b>	<b>100</b>

<b>Note 6</b>	<b>2018-19</b>	<b>2017-18</b>
<b>OTHER CURRENT LIABILITIES</b>	r	r
(a) Audit fees payable	7,080	7,080
(b) Expenses payable	-	1,636
(c) Deposit from Holding Company	3,06,181	3,06,181
<b>Total</b>	<b>3,13,261</b>	<b>3,14,897</b>

<b>Note 7</b>	<b>2018-19</b>	<b>2017-18</b>
<b>OTHER EXPENSES</b>	r	r
Miscellaneous Expenses		
Filing fees	1,214	1,636
Legal & Professional Expenses	1,770	1,330
Bank Charges	118	118
Other Expenses	-	250
Payment to Auditors (refer below)	7,080	7,080
<b>Total</b>	<b>10,182</b>	<b>10,414</b>

	<b>2018-19</b>	<b>2017-18</b>
<b>PAYMENTS TO AUDITOR</b>	r	r
<b>As auditor:</b>		
Audit fee	7,080	7,080
<b>Total</b>	<b>7,080</b>	<b>7,080</b>

**Natural Resources Energy Private Limited**  
**Notes to financial statements for the year ended 31st March, 2019**

<b>Note 8</b>	<b>2018-19</b>	<b>2017-18</b>
<b>EARNINGS PER SHARE (EPS)</b>	<b>₹</b>	<b>₹</b>
<b>Net Profit/(loss) after tax as per Statement of Profit &amp; Loss attributable to Equity Shareholders</b>	-1,29,401	-6,674
Nominal Value of Equity Shares (Rs.)	10	10
Weighted average number of Equity Shares used as denominator for calculating basic EPS	10,000	10,000
Weighted average number of Equity Shares used as denominator for calculating Diluted EPS	10,000	10,000
Basic (Rs.)	-12.94	-0.67
Diluted (Rs.)	-12.94	-0.67

<b>Note 9</b>	
<b>RELATED PARTY DISCLOSURES</b>	
<b>a) Names of Related Parties and description of relationship</b>	
<b>Description of Relationship</b>	<b>Names of Related Parties</b>
- Holding Company - Subsidiary of Holding Company(Fellow Subsidiary) - Key Management Personnel	Sarda Energy & Minerals Limited Sarda Metal & Alloys Limited - Ravi Thakur das Ladha - V. T. Naidu

**b) Material transactions with Related Parties**

**Outstanding 31.03.2019**

Payable	306181	306181
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**Note 10**

**Contingent Liabilities not provided for, are in respect of :-**

There is a no contingent liabilities against the company.

**Note 11**

During the year the company has de-recognized deferred tax assets on account of unabsorbed business losses and unused tax credits as there was no probability about the future business profits.

**Note 12**

Previous year's figures have been regrouped/rearranged wherever necessary.

THE ACCOMPANYING NOTES ARE FORMING INTEGRAL PART OF FINANCIAL STATEMENTS

As Per Our Report Of Even Date Attached

**For O.P. Singhania & Co.**  
(Firm Regn.No.002172C)  
Chartered Accountants,

**For and on behalf of the Board of Directors of**  
**Natural Resources Energy Private Limited**

**Sanjay Singhania**  
**Partner**  
Membership No.076961

**V.T.Naidu**  
**Director**

**Ravi Thakur Das Laddha**  
**Director**

Place : Raipur  
DATED : 14.05.2019